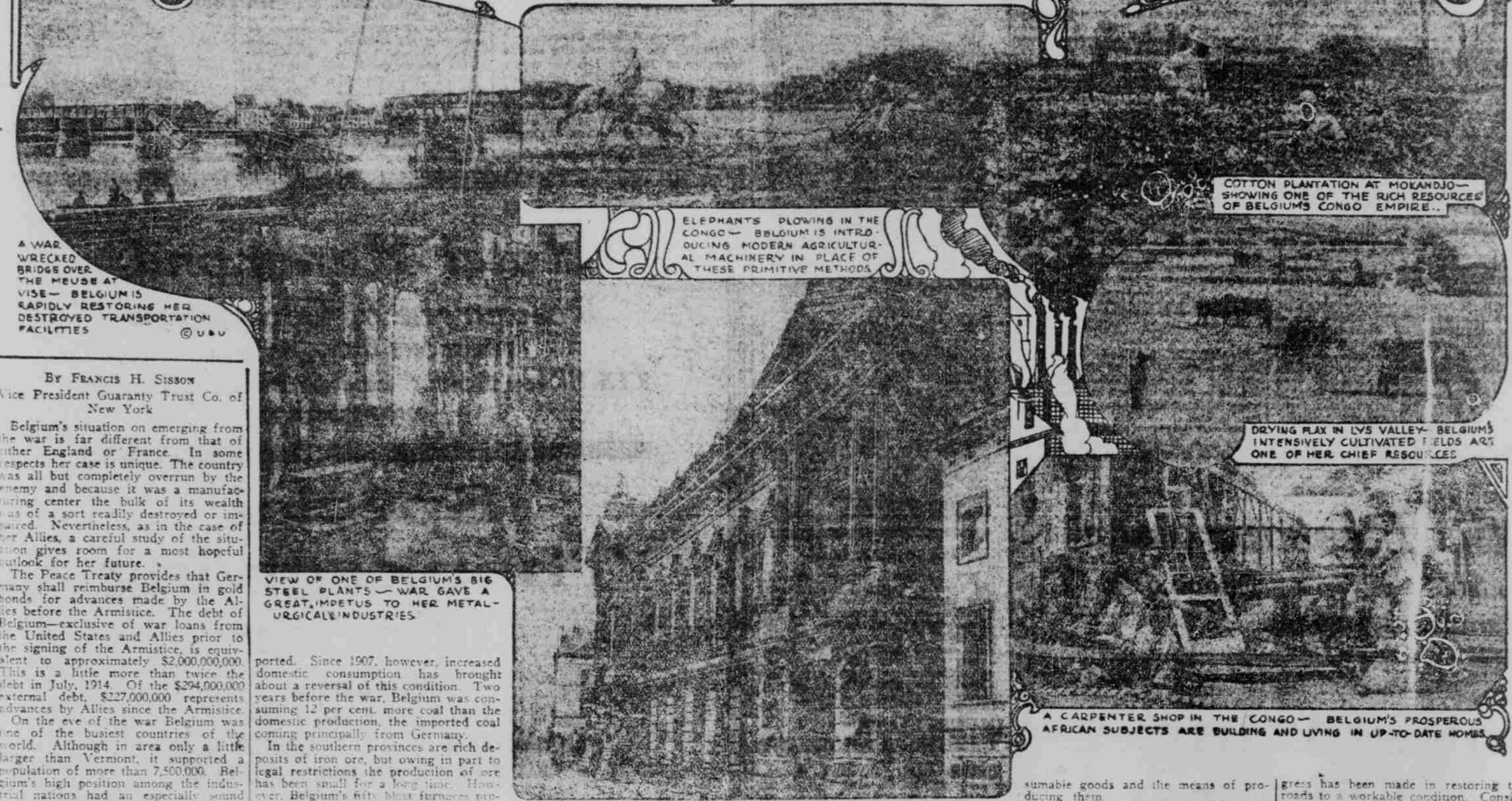


Belgium Leading in War Recovery



By FRANCIS H. Sisson
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Belgium's situation on emerging from the war is far different from that of either England or France. In some respects her case is unique. The country was all but completely overrun by the enemy and because it was a manufacturing center the bulk of its wealth was of a sort readily destroyed or impaired. Nevertheless, as in the case of her Allies, a careful study of the situation gives room for a most hopeful outlook for her future.

The Peace Treaty provides that Germany shall reimburse Belgium in gold bonds for advances made by the Allies before the Armistice. The debt of Belgium—exclusive of war loans from the United States and Allies prior to the signing of the Armistice, is equivalent to approximately \$2,000,000,000. This is a little more than twice the debt in July, 1914. Of the \$204,000,000 external debt, \$227,000,000 represents advances by Allies since the Armistice.

On the eve of the war Belgium was one of the busiest countries of the world. Although in area only a little larger than Vermont, it supported a population of more than 7,500,000. Belgium's high position among the industrial nations had an especially sound basis in the country's highly developed agriculture. About three-fifths of the total area was under cultivation. The average value of the produce per acre was approximately \$100, a yield equalled by no other country. Land-owning in small units by workers has been encouraged. The intensive cultivation of small farms, a certain traditional attitude for agriculture, an excellent system of agricultural education, low railroad rates, good roads, and a spirit of mutual helpfulness as shown by the more than 1,300 co-operative societies have all contributed to the prosperity of the farming element.

But it is the manufacturing and related industries, diversified and intensively developed, that have given the country so prominent a place among the commercial nations. For some years before the war the coal output averaged 2,200,000 tons, and until 1907 Belgium exported more coal than it im-

ported. Since 1907, however, increased domestic consumption has brought about a reversal of this condition. Two years before the war, Belgium was consuming 12 per cent. more coal than the domestic production, the imported coal coming principally from Germany.

In the southern provinces are rich deposits of iron ore, but owing in part to legal restrictions the production of ore has been small for a long time. However, Belgium's five blast furnaces produced in 1912, chiefly from Luxembourg ores, 2,300,000 tons of pig iron. This output of iron was reflected in the country's prosperous steel industry. Although the steel business is an old and well-established one, it has recently experienced a remarkable expansion. In the decade before the war Belgium increased its production 160 per cent.—the total production in 1912 being, in round numbers, 2,500,000 tons. The output of finished iron and steel was greatly in excess of the domestic needs and there was a growing market for the high grade Belgian steels, famous the world over.

There has been a significant expansion of various related lines of manufacturing, especially machine and engine works, and the construction of railway equipment and automobiles. The zinc, lead, chemical, glass, and textile industries are among the other more important industries.

There are more miles of railway in Belgium in proportion to area than in any other country. Practically all the standard gauge roads are owned by the State. The operation of the State railways since 1835 has been financially successful. The capital invested in the roads in 1912, \$330,000,000, was equal to two-thirds of the State debt.

The Belgians have for a long time held a prominent position in international finance, the estimated volume of foreign investments in 1911 being \$340,000,000, almost twice the present external debt. Belgian capital is found in a great variety of enterprises almost all over the world.

The national wealth of Belgium was estimated in 1912 at approximately \$9,000,000,000. In considering the ratio of the debt to the value of the wealth, it

the present time it must be recognized that both are expressed in terms of a money whose value is greatly below that of pre-war times. It is well known that the Germans destroyed and carried away great quantities of wealth. How much of this was in the form of relatively fixed capital equipment, as compared with consumption goods, it is impossible to say.

By the terms of the Peace Treaty, Belgium is to be compensated for the destruction or appropriation of property incidental to the war. But the indemnities cannot be immediately available in full; nor, if they were immediately collectible, could they be transformed at once into buildings, machinery, etc. In any event, the country is confronted with a situation characterized

sumable goods and the means of producing them.

A report made early in 1919 after investigation by the Central Industrial Committee of Belgium showed that the condition of Belgian industries was not so unfavorable as had generally been supposed. It was found that most of the industries could resume operation in part, at least, immediately. Belts and other accessories of the industrial plants had in many cases been removed, but the deliberate wrecking of plants was shown to have been narrowly confined. The Germans had need of the output of various industries during the occupation and these had been carefully preserved. The greatest handicap was found in the inability to resume adequate operations promptly in the basic metallurgical industries.

The main Belgian railways were completely Germanized during the war. The rolling stock which fell into enemy hands was in general worked about to the point of complete obsolescence.

Progress has been made in restoring the roads to a workable condition. Considerable replacement of equipment from German stocks has been effected, and practically all the stationery equipment has been so far restored as to provide transportation of slow freight about as in normal times. An interesting project in connection with the reconstruction of Belgian railways is the proposed electrification of the whole system.

The port facilities of Belgium were damaged in varying degree by the Germans. Their repair was no less urgent than that of the railways. The work of clearing obstructions was undertaken immediately upon the signing of the Armistice. Within a few weeks navigation between the sea and Antwerp was completely re-established, with all buoys and lights relaid. The cargo-handling facilities of this port are in good condition. Work at the port of Ostend has been pushed vigorously, and by April the harbor could accommodate vessels of the largest tonnage.

Inasmuch as Belgian steel and iron manufactures and other allied iron and steel products comprised over 12 per cent. of the total pre-war export trade of Belgium, it is necessary for these industries to resume operations as soon as possible. Furthermore, as textile and other manufacturing plants have been stripped of machinery, it will be necessary for new machines to be installed, and it is desirable that the Belgian steel works should assist as much as possible in refitting these plants. Although the Belgian steel companies were in a very bad way, due to the destruction of most of their property, several mills could operate at the time of the Armistice, and others have since been put in order. Some 10 or 12 of the largest steel companies in Belgium have undertaken the formation of a large steel corporation similar in plan to the United States Steel Corporation. Each of the plants, it is understood, will specialize in some particular branch of the steel industry.

German prisoners have been used to advantage in clearing away the debris of ruined buildings and in other work. Many carloads of machinery and fixtures taken away by the Germans have been returned and set in operation. Re-employment of the workers at high wages has resulted in the withdrawal of public aid from nearly all of the 800,000 persons who were being assisted in November, 1918. Official reports indicate that the yield of this year's crops will not be much below that of normal pre-war years.

In the Belgian Congo there is an asset which will prove of increasing importance in the future development of Belgium's industries. In area the colony is eighty times as large as Belgium itself. Although situated in equatorial Africa, its climate is, on the whole, much more salubrious than that of most tropical countries, because the greater part of the country is a comparatively high plateau.

Among the surest evidences of a wise preparation for the future development of the Congo is the official recognition of the fact that the foundation of a stable economy lies in the development of general prosperity there, must be found in agriculture. In 1910 the Government began a comprehensive program of agricultural education and experimentation. Quite naturally, the development of the transportation system of the colony began with the utilization of the Congo River and its tributaries, the world's second largest river system, with about 10,000 miles of navigable water. In January, 1916, there were 1,165 miles of Congo railways in operation. Important additions to this mileage have since been made.

The vast mineral wealth of the Congo includes copper, tin, gold, diamonds, iron, and coal. The chief mining interests are the copper properties in Katanga, the southeastern section of the colony. Only a small proportion of the total deposits are being worked, but the estimated output in 1918 was 40,000 tons. The colony's exports and imports in 1913 had a value of approximately \$25,000,000, and in 1916 the foreign trade exceeded \$38,000,000.

The depletion of man-power in Belgium during the war was not as great proportionately as was experienced by most of the belligerent nations, for the sudden rush of the invasion made it impossible to mobilize a large number of the men of military age.

The proved industrial capacity and dependable character of the masses of the Belgian workers are the nation's best assets in the present emergency. The record of the nation's achievements in the past and its quiet and confident grappling with present difficulties are the surest guarantees that the Belgians can and will solve their economic problems satisfactorily.

Combined Reports of

THE FIRST NATIONAL BANK

--and--

FIRST TRUST & SAVINGS BANK

Formerly Lake County Savings and Trust Company

At the Close of Business November 15, 1920

First National Bank

ASSETS

Bills Discounted	\$2,278,618.82
Overdrafts	6,699.70
Cash and Due from Banks	1,044,473.01
Liberty Bonds	1,280,260.00
Stocks and Bonds	729,667.42
Real Estate and Fixtures	6,800.72
Interest Earned	21,391.50
TOTAL	\$5,367,911.67

LIABILITIES

Capital Stock	\$ 250,000.00
Surplus	100,000.00
Undivided Profits	32,585.97
Circulating Notes	247,500.00
Deposits	4,149,561.69
Reserved for Taxes and Interest	12,932.51
Bills Payable	550,000.00
Other Liabilities	25,331.50
TOTAL	\$5,367,911.67

First Trust and Savings Bank

ASSETS

Loans and Discounts	\$1,648,466.64
Liberty Bonds	347,808.00
Stocks and Bonds	308,695.43
Furniture and Fixtures	25,000.00
Investment Fund	20,000.00
Real Estate	6,907.79
Cash Due from Banks	235,977.19
Accounts Receivable	62,582.12
Overdrafts	1,522.78
Other Assets	8,080.76
TOTAL	\$2,665,040.71

LIABILITIES

Capital Stock	\$ 125,000.00
Surplus	10,000.00
Undivided Profits	32,100.40
Deposits	2,485,453.90
Reserved for Taxes and Interest	12,486.41
TOTAL	\$2,665,040.71

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Cashier
P. H. FEDDER
Asst. Cashier

Combined Capital, Surplus and Undivided Profits \$549,686.37

Combined Deposits \$6,635,015.59

Combined Total Assets \$8,032,952.38

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